

# PIF 101

## What is PIF?

PIF refers to park impact fees, a fee assessed on the development of new residential housing units to help fund park acquisition and development. Recognizing a need for additional urban parks and natural areas, both the City of Vancouver and Clark County instituted the park impact fee program in the 1990s to provide a funding source for the acquisition and development of urban parks. The program establishes level of service standards for urban parks, including neighborhood and community parks and urban open space, and assesses park impact fees on new residential development to serve future residents. The associated standards are adopted through the Vancouver-Clark Parks and Recreation Comprehensive Plan.

Park impact fees are calculated, assessed, and spent in ten different park districts. Since the program's inception, park impact fees have enabled the acquisition or development of hundreds of acres of parks and natural areas.

## Are there local or state statutes that regulate the collection or use of PIF funds?

State statute (RCW 82.02) authorizes Washington counties and cities to collect impact fees to "ensure adequate facilities are available to serve new growth and development." The statute requires impact fees to be reasonably related to and reasonably benefit the new development, and they must not exceed a proportionate share of system improvements. Impact fees may be collected for parks, roads, schools, and fire protection facilities that are part of an adopted capital facilities plan. Originally, impact fees were to be expended or encumbered within six years of collection, or refunded. This is referred to as 'concurrency'. Subsequently in 2011, the six-year concurrency requirement was amended in response to the economic downturn to a ten-year period.



*Park Impact Fees enable the proactive planning for acquisition and development of urban parks and natural areas into the design of future developments.*

## Who pays park impact fees?

The developer or builder of a proposed residential development pays the impact fee at the time a building permit is issued for a new single or multi-family residential unit located within a park district. Developers can dedicate and/or develop parks within their new developments instead of paying park impact fees, at the discretion of the parks department.

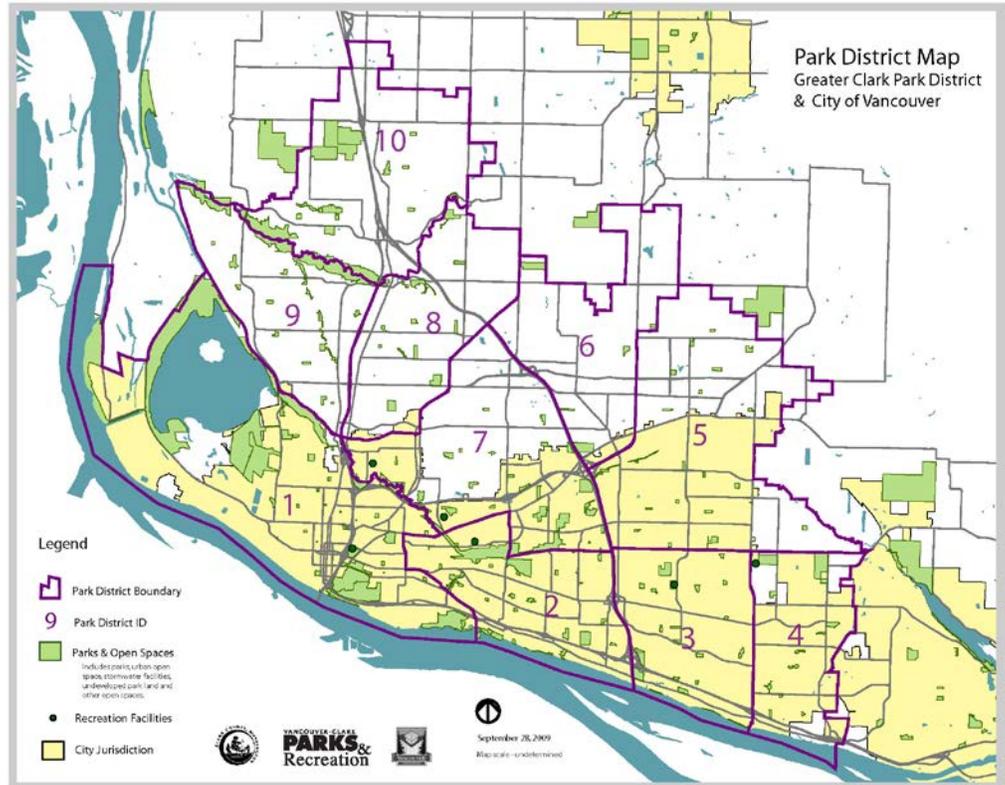
## What are Park Impact Fee Districts?

The Vancouver urban area (including the City of Vancouver and all areas within its urban growth boundary) is divided into ten park impact fee districts. Fee calculation, collection, accounting and spending are separate for each park district.

Park districts were drawn to reflect natural and manmade barriers to circulation, irrespective of jurisdictional boundaries, and automatically adjust to reflect annexation. Districts were designed to balance the need to generate sufficient revenues that enable a reasonable level of park acquisition and development within the concurrency time period to serve those paying into the PIF program.

## How are park impact fee rates calculated?

Park Impact Fee rates are determined for each PIF district by calculating the cost of acquiring and developing parkland necessitated by new development and deducting the impact of taxes and fees currently paid by new homeowners towards park acquisition and development (the cost adjustment factor, or CAF). Fees are calculated separately for the City and County and for each park district. Once established or updated, rates are fixed until modified by county or city action.



$$\text{(Acquisition Cost + Development Cost) - Adjustment Factor} = \text{PIF}$$

## How often are rates updated?

Both City ordinance (VMC 20.97.120) and County code (CCC 12.65.098) anticipate that "Impact fee rates shall be adjusted periodically to reflect changes in costs of land acquisition and construction, facility plan projects, and anticipated growth." The park fees currently charged by Vancouver were last updated in 2004 and Clark County in 2002.

In 2009 the City of Vancouver and Clark County jointly adopted a revision to the Vancouver-Clark Comprehensive Plan. These amendments included the removal of the PIF fee schedule and district boundaries from the plan and transferred them to a separate document known as the PIF Technical Document. This was completed to facilitate future updates to the program without requiring coordination with the annual comprehensive plan update process. A fee indexing methodology was also adopted in the PIF Technical Document for future implementation at the discretion of City of Vancouver and Clark County.

## History of the PIF Program

- 1990:** Clark County: The Clark County Board of Commissioners establishes park impact fees within the Vancouver unincorporated urban area. Fee collection begins on January 24, 1991. The fee applied to land acquisition only, and was based on existing land values, a standard of 7.5 acres of urban park land per thousand population, and a 5% proportionate public share.
- 1994:** Clark County: The County makes significant changes to county code to implement the GMA Comprehensive Land Use Plan. Changes to PIF include establishing “greenspaces” as the development standard for undeveloped sites, allowing closing costs to be included, codifying 6 acres per thousand as the acquisition standard, and authorizing joint city/county administration of impact fees.
- 1995:** City of Vancouver: The City of Vancouver institutes impact fees for parks, roads, and schools. Park impact fees are based on land and development costs; acquisition and development standards of 6 acres and 4.25 acres per thousand population respectively; and a 5% public share.
- 1996:** City of Vancouver: The fees established by Council are codified on January 16th, in Ordinance M-3224. In July, City Council establishes a 0.25% Real Estate Excise Tax (REET) to properly fund the City’s public share of park development. Revenue generated is to be used to address the service level deficit in existing neighborhoods, as state statute prohibits park impact fees from being used for this purpose.
- Clark County: On August 6, 1996, Clark County adopts fundamental changes to its park impact fee program to fulfill its role in the city-county coordinated effort. Development fees are added, new rates are established, acquisition and development standards are set and a new 0.25% Real Estate Excise Tax (REET) is imposed for 6 years to fund the public share of park development.
- 2002:** City of Vancouver: PIF rates are reviewed and updated to reflect increases in acquisition and development costs, as part of the *Comprehensive Parks, Recreation, and Open Space Plan* update. The City extends REET collections permanently and reallocates a portion of revenues to transportation uses. City REET revenues available for parks purposes are primarily devoted to debt service on recreation center construction projects.
- Clark County: PIF rates are reviewed and updated to reflect increases in acquisition and development costs, as part of the *Comprehensive Parks, Recreation, and Open Space Plan* update. Clark County extends REET collection in the urban area for 30 years and adjusts the allocation of revenues to redirect fifty percent of revenue to economic development purposes.
- 2003:** Clark County: Clark County adjusts its development rate to reflect increasing costs.
- 2004:** City of Vancouver: The City of Vancouver updates acquisition and development rates.
- 2009:** City of Vancouver and Clark County jointly update the comprehensive plan to remove the fee schedule and district maps from the plan and readopt them in the PIF Technical Document to facilitate future PIF updates. A fee indexing methodology was also adopted in the document for future fee adjustments.
- 2014:** Clark County: Clark County amends county code to combine acquisition and development funds into a single Park Impact Fee fund.
- 2014:** May 2014, Current Comprehensive Plan expires.